

INFORMATION REPORT
CONFIDENTIAL

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SUBJECT Latest Development in the Soviet Oil
Administration (SMV)

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Matzen

1. A few days ago Matzen drilling crews threatened to strike on the grounds that the SMV had failed to equip them with satisfactory work clothing. SMV officials allayed this threatened strike by procuring an immediate delivery of 400 canvas work suits from the Vienna firm of Fritz Schreier.

SMV Refining

2. During the first two weeks of January 1950, the SMV Purchasing Office delivered 75 tons of sulfuric acid to the Vacuum Oil Company refinery and 45 tons to the Shell refinery, both of which are now operating at full capacity. It is believed that the Vacuum and Shell refineries are producing a type of aviation gasoline which the SMV formerly manufactured at the Kloderling refinery. The Kloderling refinery is now producing motor oil.

Import Shipments Delivered to the SMV

3. The following import shipments were delivered to various SMV installations during the past week:

9 carloads containing 3,318 sacks of barite, weighing a total of 165,920 kilograms, from the Salbar Company, Lecco, Italy.

1 carload containing 112 lengths of steel pipe, weighing a total of 20,000 kilograms, from the New Stalin Pipe Works, Inkombek, USSR.

6 carloads of steel pipe from Eastern Germany were delivered to Matzen 10 January 1950.*

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SMV Purchases

4. During the week of 9 January 1950 the SMV Purchasing Office made cash payments for the following purchases and services:

<u>Firm</u>	<u>Item Purchased</u>	<u>Payment in Schillings</u>
USIA and various firms	Rent, office supplies	2,839.05
Kellner & Kunz	Tools	9,987.06
K. J. Baldauf	Building materials	25,078.50
S.K.F.	Ball bearings	1,451.24
Fritz Schreitl	Work clothing	22,500.00
"Standard" Ges. für Techn. Artikel	Fan belts	9,559.41
	Payment on account for fan belts	50,000.00
Guido Rutgers	Impregnating work	12,575.63
Natron Papier Industrie A.G.	5,000 Kreuzbodensäcke (sic)	10,349.08
St. Egydier Eisen- und Stahlindustrie G.m.b.H.	Rope **	189,678.50
Oesterreichische Sprengmittel- Vertreibs G.m.b.H.	Gelatin and donarite	66,000.00
"Semperit" Gummiwerke A.G.	Tires and hose	72,000.00
Josef Altschul	Electrical material	9,796.20
Osrarn G.m.b.H.	Electric light bulbs	3,632.50
Holzbaubauwerk Franz Havlicek	Wood	27,000.00

5. Contrary to a previous report, KUSIN, new director of the SMV Purchasing Office, was not assigned to the SMV directly from the Soviet Union but was transferred to his present SMV post from USIA's Central Commercial Bureau where he was in charge of purchases from the Soviet Zone of Germany, Czechoslovakia and Poland.*** KUSIN never maintained an apartment in Vienna while he worked for USIA because he was away on business trips for as long as a month at a time. Recently, however, he moved to the apartment of his SMV predecessor, KASYURA, at Vienna IV, Möllwaldplatz 3. KUSIN will probably continue to make numerous business trips; he is now preparing to drive to Berlin to make arrangements for future pipe deliveries to the SMV. He also plans to go to Czechoslovakia where he allegedly has excellent connections in Czechoslovak Government circles.

* Comment: SMV employees believe KUSIN arranged for the series of pipe shipments delivered to the SMV from Eastern Germany during recent months. It is not yet known whether these pipe shipments came from Berlin or from other places in the Soviet Zone of Germany.

** Comment: Probably cable rather than rope.

*** Comment:

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